

February 1, 2006

**TO PROVIDERS OF RFP #06-002-38, FINANCIAL & OPERATIONAL AUDIT OF  
EMPLOYEE MEDICAL & DENTAL BENEFIT ADMINISTRATORS**

Shelby County Government is soliciting proposals to contract for Services to audit claims processed by the medical and pharmacy carrier's responsible for the administration of claims payment for the Shelby County's self-funded medical and pharmacy benefit programs. (the "Services"). The RFP is located on the County's website at [www.shelbycountyttn.gov](http://www.shelbycountyttn.gov). Go to "Purchasing Bids" under Online Services on the home page to locate the above-described RFP. If you do not have access to the Internet and require us to send you a hard copy of the RFP, please call us at (901) 545-4360 to request a copy.

**The proposal, as submitted, should include all rates related to the services requested in this RFP. If selected, your proposal will be the basis for negotiating a contract with Shelby County Government. Respondents requesting additional information or clarification are to contact Mr. Jim Martin at (901) 545-4909, or [jmartin@co.shelby.tn.us](mailto:jmartin@co.shelby.tn.us).**

**Proposals must be received in the office of the Administrator of Purchasing no later than 4:00 p.m. on Friday, February 24, 2006. Proposals should be addressed to:**

**Phyllis Shrader, CPPO, CPPB  
Shelby County Government  
160 N. Main, Rm. 550  
Memphis, TN 38103**

**The package containing the original and five (5) copies of your proposal must be sealed and marked with the Proposer's name and "CONFIDENTIAL –FINANCIAL & OPERATIONAL AUDIT OF EMPLOYEE MEDICAL & DENTAL BENEFIT ADMINISTRATORS, RFP #06-002-38" noted on the outside.**

Sincerely,

Signed Original on File

Phyllis Shrader, CPPO, CPPB  
Purchasing Department Shelby County Government

pgs

cc: Mr. Jim Martin, Deputy Administrator

## **I. INTRODUCTION**

Shelby County Government (the “County”), is seeking Services to audit claims processed by the medical and pharmacy carrier’s responsible for the administration of claims payments for Shelby County’s self-funded medical and pharmacy benefit programs (the “Services”). This Request for Proposal (“RFP”) is being released to invite interested and qualified Proposer to prepare and submit proposals in accordance with instructions provided where one successful candidate will be selected and invited to enter into a contractual relationship with Shelby County for the Services outlined in this RFP. In this RFP, the terms Proposer and Consultant are used interchangeably unless the context indicates otherwise.

## **II. MINIMUM PROPOSER REQUIREMENTS**

All Proposers must:

1. Have at least three (3) years experience in the service of auditing claims.
2. Have all appropriate licenses and certifications required by appropriate government agencies to perform the Services;
3. Have sufficient personnel or sub-consultants available to perform the Services on a timely basis.

## **III. CORRESPONDENCE**

**All correspondence, including proposals, and questions concerning the RFP are to be submitted to:**

**Phyllis Shrader, CPPO, CPPB  
Shelby County Government  
160 N. Main St. Suite 550  
Memphis, TN 38103  
(901) 545-4352**

Questions may not be submitted by telephone or fax. Questions and answers will be provided to all RFP participants. No questions will be entertained after February 17, 2006.

Please be aware that contact with any other personnel within Shelby County or its benefit administrators regarding this RFP may disqualify your company from further consideration.

## **IV. PROPOSAL SUBMISSION DEADLINE**

All proposals must be received at the address listed above no later than 4:00 pm on Friday, February 24, 2006. Facsimile or electronically transmitted proposals will not be accepted since they do not contain original signatures. Postmarks will not be accepted in lieu of actual receipt. Late or incomplete proposals may not be opened and considered. Under no circumstances, regardless of weather conditions, transportation delays, or any other circumstance, will this deadline be extended.

## **V. PROPOSAL TIMELINE**

Shelby County reserves the right to modify this timeline at any time. If the due date for proposals is changed, all prospective Proposers shall be notified.

Request for Proposals Released	Friday, February 2, 2006
Proposal Due Date	Friday, February 24, 2006 by 4:00 pm
Notification of Award	April 2006

The County may reproduce any of the Proposer's proposal and supporting documents for internal use or for any other purpose required by law.

## **VI. PROPOSAL CONDITIONS**

### **A. Contingencies**

This RFP does not commit the County to award a contract. The County reserves the right to accept or reject any or all proposals if the County determines it is in the best interest of the County to do so. The County will notify all Proposers, in writing, if the County rejects all proposals.

### **B. Modifications**

The County reserves the right to issue addenda or amendments to this RFP.

### **C. Proposal Submission**

To be considered, all proposals must be submitted in the manner set forth in this RFP. It is the Proposer's responsibility to ensure that its proposals arrive on or before the specified time.

### **D. Incurred Costs**

This RFP does not commit the County to pay any costs incurred in the preparation of a proposal in response to this RFP and Proposers agree that all costs incurred in developing this RFP are the Proposer's responsibility.

### **E. Final Authority**

The final authority to award a contract rests solely with the Shelby County Purchasing Department.

## **VII. GENERAL REQUIREMENTS**

### **A. Scope of Contract**

The County wishes to engage in a contractual relationship with the best-qualified Proposer selected through a competitive process that will work well with the County's personnel in the performance of the Services in a manner that is cost-effective and practical. The Consultant must be prepared to begin immediately upon receipt of a Notice to Proceed.

## **Introduction**

Located in Western Tennessee , Shelby County Government (“Shelby County”) is one of the Memphis and Shelby County’s largest employers. The Shelby County Government has approximately 6,300 full time employees and 2,300 retirees.

### **1. Scope of the Project**

Shelby County is interested in purchasing services to audit claims processed by the medical and pharmacy carrier’s responsible for the administration of claims payments for Shelby County’s self-funded medical and pharmacy benefit programs.

Shelby County has a self funded Health Plan with a POS plan administered by Cigna Health Care and a PPO administered by United Healthcare. The drug benefit is administered by a carved out PBM, ExpressScripts. Details of these plans can be obtained by contacting the above RFP contact.

### **2. Services Required**

Shelby County is interested in purchasing services to audit those companies responsible for the financial administration of Shelby County’s employee medical and pharmacy benefit plans. Shelby County’s medical plans are administered by United HealthCare and CIGNA, and the pharmacy plan is administered by <ExpressScripts>. Audit activities can begin immediately upon Shelby County’s selection of a supplier to conduct these audits.

The requirements or scope of the audit will vary based on the services delivered and will include Claim, Operational and Financial reviews. This RFP contains a listing of current audit requirements for each service. Audit requirements will be finalized through this RFP process and, if necessary, in a pre-meeting prior to the audit.

The selected Auditor is expected to communicate detailed results of the audit in a written report and meet with representatives from Shelby County to present and discuss key findings.

Shelby County will work directly with the benefit administrator to obtain action plans that may be needed to correct deficiencies identified and/or recommended by the audit.

Below are the requirements for each audit along with some background on the supplier.

#### **A. United HealthCare**

United HealthCare is one of the medical carriers for Shelby County’s employee medical benefits. Claims and financial data are as follows:

PARTICIPANT GROUP	NUMBER PARTICIPANTS	CLAIMS PAID 2004-YTD2005
<Group1>	3,893	\$10,425,078
<Group 2>		\$
<Group 3>		\$

## B. CIGNA

CIGNA is an additional medical carrier for Shelby County's employee medical benefits. Claims and financial data are as follows:

PARTICIPANT GROUP	NUMBER PARTICIPANTS	CLAIMS PAID 2004-YTD2005
<Group1>	11,846	\$24,117,394
<Group 2>		\$
<Group 3>		\$

## C. <ExpressScripts>

<PBM> is the pharmacy benefit manager ("PBM") for Shelby County's employee pharmacy benefits. Claims and financial data are as follows:

PARTICIPANT GROUP	NUMBER PARTICIPANTS	CLAIMS PAID 2004-YTD2005
<Group1>	11,846	\$5,224,086
<Group 2>	3,893	\$4,465,271
<Group 3>		\$

## D. Audit Requirements

The audit of each carrier should include an evaluation of the following:

### Claims/Operational:

- Claim payment/processing accuracy
- Claim turnaround time
- Claims adjustment handling performance
- Overpayment recovery
- Provider fee schedule accuracy

### Financial:

- Validate dollars drawn from Shelby County's bank account represent valid Shelby County participant claim activity (ensure dollars are not being drawn or reported in error)
- Validate claims are not paid after member termination date
- Validate participant counts by group agree to member eligibility data
- Identify overpayments and facilitate carrier's processing of financial recoveries

## 3. **Project Time Frame**

- A. The formats outlined in the RFP must be adhered to in your responses. All response materials must also be accurately labeled and should include the section and question it is addressing. After reading the entire RFP, please answer the questions contained in Section VI.

**B. *Announcement of Intention to Respond***

All suppliers who receive this RFP must send the RFP Point of Contact an e-mail indicating whether they will or will not participate in this RFP. This e-mail should be sent to the RFP Point of Contact by 4:00 p.m. on 2/17/06.

If you choose not to participate, please delete and/or destroy the entire RFP document from your files.

**C. *RFP Response Due Date*** Proposals are due to the RFP Point of Contact by 4:00 pm on 2/24/2006. 5 Copies and one (1) original are required.

**D. *Supplier Selection Process***

Once the RFP has been received, a small team, which has interest in this subject, will review all bids utilizing objective selection criterion. Please note that participating in this RFP process in no way obligates Shelby County to pursue a business arrangement with the supplier.

**E. PROPOSAL RESPONSE TIME FRAME**

Below is a summary of key dates. The shaded items reflect key dates impacting you.

RFP Distributed	2/3/2006
Notify Shelby County of Intention To Respond	4:00 pm 2/17/2006
RFP Response Due	4:00 pm 2/24/2006
Shelby County Final Decision	TBD

We currently expect to contact you, regarding the outcome of your company's proposal, within two weeks after the deadline date. Please refrain from making inquiries regarding the evaluation of your proposal until at least two weeks after the deadline date.

**F. *Incurred Costs***

Shelby County is under no obligation to pay any costs that you may incur in the preparation of your proposal. All costs associated with the preparation of this proposal shall be borne solely by the supplier

**4. Reservation of Rights**

The County reserves the right, for any reason to accept or reject any one or more proposals, to negotiate the term and specifications for the services provided, to modify any part of the RFP, or to issue a new RFP.

## 5. Selection Criteria

Shelby County's decision to select an auditor will be based on responses received to this RFP by the deadline established. Shelby County, at its discretion, may also require interviews with any of the RFP participants in order to clarify responses and/or aid in the final selection process. While evaluating each RFP received, Shelby County will consider each of the following areas:

- Experience and expertise in providing similar services
- Value added services
- Input from client references
- Cost competitiveness
- Responsiveness of company representative
- Audit time schedule
- Format and completeness of written proposal

## 6. Terms and Conditions

### A. *Right to Select*

Shelby County reserves the right to select and negotiate with those suppliers it judges qualified for competitive bidding and to terminate negotiations without incurring any liability. Shelby County also reserves the right to reject any or all proposals received without explanation.

### B. *RFP Format*

In order for a supplier's proposal to qualify, it must conform to the format requested in the RFP. If for any reason there is additional information, which is relevant to the bid, then please include it in the attachments to the response. Note that the proposals, as submitted, will be considered your best response. **No proposals will be considered after the deadline date.**

### C. *Confidentiality*

This RFP is strictly confidential and proprietary to Shelby County. RFP participants agree that they will not duplicate, distribute, or otherwise disseminate or make available this document or the information contained therein without the express written consent of Shelby County. The participant may make this document available to employees who have a need to know its contents in order to participate in the preparation of the RFP.

Suppliers shall not include or reference this RFP in any forum without the prior written consent of Shelby County. All supplier information submitted with this RFP would be considered confidential. Any additional materials that are to be considered confidential and treated confidentially must be clearly marked "confidential" prior to submission.

The supplier will also be required to meet the confidentiality requirements of Shelby County's benefit administrators (United HealthCare, CIGNA & ExpressScripts) in order to conduct the audit.

*D. Terms of Payment.*

To be negotiated in contract.

*E. Reporting Requirements*

It is anticipated that suppliers will work with Shelby County in submitting periodic project updates throughout this process.

*F. Indemnification and Limitation of Liability*

Shelby County requires indemnification and limitation of liability against any and all claims, actions, demands, losses, costs, judgments, or damages associated with the audit services provided.

**7. Supplier Information & Questions (RFP Response Requirements)**

Please answer the following questions and/or provide the following information.

*1. Audit Approach*

- a) Describe your firm's general audit approach, philosophy and features.
- b) Provide a preliminary high-level audit timeline, which shows the major activities or deliverables. Briefly describe each activity/deliverable, if the description in the timeline is insufficient.
- c) List and describe the items which will be part of the audit. This should include our base requirements plus any recommended modifications. Please identify and explain recommended modifications.
- d) Describe the process to share audit results with the firm being audited.
- e) Describe the process to share audit results with Shelby County.

*2. Resources & Timeline*

- a) Identify the resources your firm would assign to the audit (name, title, role, and years of experience, etc.).
- b) Provide a bio for each of the resources (specific experience, education, recent/current assignments, etc.).
- c) When will the resources be available to perform the audit? Who will be onsite at the administrator's location and how many days will they be there?
- d) Travel should be included in the overall bid cost and will not be paid for as a separate cost outside the base bid price.

*3. Fees*

- a) What is your **best and final price quote** for these audit services?
- b) Provide a detailed statement of work showing the activities included in the above price quote.
- c) Provide the details for any additional fees or charges not included in question 3a.
- d) Are your answers to Shelby County's post audit questions included in the price? Please describe what is included and what is not included in the price quote.
- e) What type of satisfaction guarantee is your firm willing to propose?



4. *Experience*

- a) Provide background on your firm's capabilities and experience in relation to claims, operational and financial audits of benefit plans.
- b) What sets your firm apart from the competition?
- c) Provide 3 client references from companies where the audit services were delivered by the key resources identified to deliver services for these audits.

5. *General*

- a) Please provide the name, address, phone number, fax number and e-mail address of the person to contact with questions regarding this proposal.

<b>Contact Person</b>	
<b>Address</b>	
<b>City, State Zip Code</b>	
<b>Phone Number</b>	
<b>Fax Number</b>	
<b>E-mail Address</b>	

- b) Indicate whether your company (i.e., management, key employees, and large stockholders) would enter into any conflicts of interest by conducting business with Shelby County.

6. *Other*

If you would like to provide Shelby County with additional information that you feel will aid in the Decision making process, please do so under separate attachment to your response.

**8. Award of Contract**

Proposers are advised that the lowest cost proposal will not necessarily be awarded the contract, as the selection will be based upon qualification criteria as deemed by the County and as determined by the selection committee and the County Mayor.

**VIII. CONTRACT REQUIREMENTS**

The successful Proposer will be expected to enter into a contract incorporating the following terms and conditions, and such additional terms and conditions standard to services of this type.

**A. General Requirements**

1. Control. All services by the Consultant will be performed in a manner satisfactory to the County, and in accordance with the generally accepted business practices and procedures of the County.
2. Consultant's Personnel. The Consultant certifies that it presently has adequate qualified personnel to perform all services required under this Contract. All work under this Contract will be supervised by the Consultant. The Consultant further certifies that all of its employees assigned to serve the County have such knowledge and experience as required to perform the duties assigned to them. Any employee of the Consultant who, in the opinion of the County, is incompetent, or whose conduct becomes detrimental to the work, shall immediately be removed from association with services under this Contract.

3. Independent Status. (a) Nothing in this Contract shall be deemed to represent that the Consultant, or any of the Consultant's employees or agents, are the agents, representatives, or employees of the County. The Consultant will be an independent consultant over the details and means for performing its obligations under this Contract. Anything in this Contract which may appear to give County the right to direct the Consultant as to the details of the performance of its obligations under this Contract or to exercise a measure of control over the Consultant is solely for purposes of compliance with local, state and federal regulations and means that the Consultant will follow the desires of the County only as to the intended results of the scope of this Contract.

(b) It is further expressly agreed and understood by Consultant that neither it nor its employees or agents are entitled to any benefits which normally accrue to employees of the County; that Consultant has been retained by the County to perform the services specified herein (not hired) and that the remuneration specified herein is considered fees for services performed (not wages) and that invoices submitted to the County by Consultant for services performed shall be on the Consultant's letterhead.

4. Termination Or Abandonment. (a) It shall be cause for the immediate termination of this Contract if, after its execution, the County determines that either:

- (i) the Consultant or any of its principals, partners or corporate officers, if a corporation, including the corporation itself, has plead nolo contendere, or has plead or been found guilty of a criminal violation, whether state or federal, involving, but not limited to, governmental sales or purchases, including but not limited to the rigging of bids, price fixing, or any other collusive and illegal activity pertaining to bidding and governmental contracting.
- (ii) Consultant has subcontracted, assigned, delegated, or transferred its rights, obligations or interests under this Contract without the County's consent or approval.
- (iii) Consultant has filed bankruptcy, become insolvent or made an assignment for the benefit of creditors, or a receiver, or similar officer is appointed to take charge of all or part of Consultant assets.

(b) The County may terminate the Contract upon five (5) days written notice by the County or its authorized agent to the Consultant for Consultant's failure to provide the services specified under this Contract.

(c) This Contract may be terminated by either party by giving thirty (30) days written notice to the other, before the effective date of termination. In the event of such termination, the Consultant shall be entitled to receive just and equitable compensation for any satisfactory work performed as of the termination date; however, Consultant shall not be reimbursed for any anticipatory profits that have not been earned as of the date of termination.

(d) All work accomplished by Consultant prior to the date of such termination shall be recorded and tangible work documents shall be transferred to and become the sole property of the County prior to payment for services rendered.

(e) Notwithstanding the above, Consultant shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of the Contract by Consultant and the County may withhold any payments to Consultant for the purpose of setoff until such time as the exact amount of damages due the County from Consultant is determined.

5. Subcontracting, Assignment Or Transfer. Any subcontracting, assignment, delegation or transfer of all or part of the rights, responsibilities, or interest of either party to this Contract is prohibited unless by written consent of the other party. No subcontracting, assignment, delegation or transfer shall relieve the Consultant from performance of its duties under this contract. The County shall not be responsible for the fulfillment of the Consultant's obligations to its transferors or subconsultants. Upon the request of the other party, the subcontracting, assigning, delegating or transferring party shall provide all documents evidencing the assignment.

6. Conflict Of Interest. The Consultant covenants that it has no public or private interest, and will not acquire directly or indirectly any interest which would conflict in any manner with the performance of its services. The Consultant warrants that no part of the total contract amount provided herein shall be paid directly or indirectly to any officer or employee of the County as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subconsultant or consultant to the Consultant in connection with any work contemplated or performed relative to this Contract.

7. Covenant Against Contingent Fees. The Consultant warrants that it has not employed or retained any company or person other than a bona fide employee working solely for the Consultant, to solicit or secure this Contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Consultant any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, the County will have the right to recover the full amount of such fee, commission, percentage, brokerage fee, gift, or other consideration.

8. Employment Of County Workers. The Consultant will not engage, on a full or part-time, or other basis during the period of the Contract, any professional or technical personnel who are or have been at any time during the period of the Contract in the employ of the County.

9. Arbitration. Any dispute concerning a question of fact in connection with the work not disposed of by agreement between the Consultant and the County will be referred to the Shelby County Contract Administrator or his/her duly authorized representative, whose decision regarding same will be final.

10. General Compliance With Laws. (a) If required, the Consultant shall certify that it is qualified and duly licensed to do business in the State of Tennessee and that it will take such action as, from time to time, may be necessary to remain so qualified and it shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

(b) The Consultant is assumed to be familiar with and agrees that at all times it will observe and comply with all federal, state, and local laws, ordinances, and regulations in any manner affecting the conduct of the work. The preceding shall include, but is not limited to, compliance with all Equal Employment Opportunity laws, the Fair Labor Standards Act, Occupational Safety and Health Administration (OSHA) requirements, the Americans with Disabilities Act (ADA), and all state and local laws, rules and regulations pertaining to electrical requirements of residential construction and renovation.

(c) This Contract will be interpreted in accordance with the laws of the State of Tennessee. By execution of this contract the Consultant agrees that all actions, whether sounding in contract or in tort, relating to the validity, construction, interpretation and enforcement of this contract will be instituted and litigated in the courts of the State of Tennessee, located in Shelby County, Tennessee, and in no other. In accordance herewith, the parties to this contract submit to the jurisdiction of the courts of the State of Tennessee located in Shelby County, Tennessee.

11. Nondiscrimination. The Consultant hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Consultant on the grounds of handicap and/or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Consultant shall upon request show proof of such nondiscrimination, and shall post in conspicuous places available to all employees and applicants notices of nondiscrimination.
12. Entire Agreement. This Contract contains the entire Contract of the parties and there are no other promises or conditions in any other Contract whether oral or written. This Contract supersedes any prior written or oral Contracts between the parties.
13. Amendment. This Contract may be modified or amended, only if the amendment is made in writing and is signed by both parties.
14. Severability. If any provision of this Contract is held to be unlawful, invalid or unenforceable under any present or future laws, such provision shall be fully severable; and this Contract shall then be construed and enforced as if such unlawful, invalid or unenforceable provision had not been a part hereof. The remaining provisions of this Contract shall remain in full force and effect and shall not be affected by such unlawful, invalid or unenforceable provision or by its severance here from. Furthermore, in lieu of such unlawful, invalid, or unenforceable provision, there shall be added automatically as a part of this Contract a provision as similar in terms to such unlawful, invalid or unenforceable provision as may be possible, and be legal, valid and enforceable.
15. No Waiver Of Contractual Right. No waiver of any term, condition, default, or breach of this Contract, or of any document executed pursuant hereto, shall be effective unless in writing and executed by the party making such waiver; and no such waiver shall operate as a waiver of either (a) such term, condition, default, or breach on any other occasion or (b) any other term, condition, default, or breach of this Contract or of such document. No delay or failure to enforce any provision in this Contract or in any document executed pursuant hereto shall operate as a waiver of such provision or any other provision herein or in any document related hereto. The enforcement by any party of any right or remedy it may have under this Contract or applicable law shall not be deemed an election of remedies or otherwise prevent such party from enforcement of one or more other remedies at any time.
16. Matters To Be Disregarded. The titles of the several sections, subsections, and paragraphs set forth in this contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this contract.
17. Subject To Funding. This Contract is subject to annual appropriations of funds by the Shelby County Government. In the event sufficient funds for this Contract are not appropriated by Shelby County Government for any of its fiscal period during the term hereof, then this Contract will be terminated. In the event of such termination, the consultant shall be entitled to receive just and equitable compensation for any satisfactory work performed as of the termination date.
18. Travel Expenses. All travel expenses payable under this Contract shall be in accordance with the County Travel Policy and Procedures. This includes advance written travel authorization, submission of travel claims, documentation requirements, and reimbursement rates. No travel advances will be made by the County.

19. Incorporation Of Other Documents. (a) Consultant shall provide services pursuant to this Contract in accordance with the terms and conditions set forth within the Shelby County Request for the Shelby County Purchasing Department and incorporated herein by reference.

(b) It is understood and agreed between the parties that in the event of a variance between the terms and conditions of this Contract and any amendment thereto and the terms and conditions contained either within the Request for Proposals/Bids or the Response thereto, the terms and conditions of this Contract as well as any amendment shall take precedence and control the relationship and understanding of the parties.

20. Contracting With Small And Minority Firms And Women's Business Enterprise. The Consultant shall take affirmative action to assure that Small and Minority Businesses are utilized when possible as sources of supplies, equipment, construction and services and will in addition take similar appropriate affirmative action in support of Women's Business Enterprises.

21. Incorporation Of Whereas Clauses. The foregoing whereas clauses are hereby incorporated into this Contract and made a part hereof.

22. Waiver Of Proprietary Interest. Notwithstanding anything to the contrary contained herein or within any other document supplied to County by Consultant, Consultant understands and acknowledges that County is a governmental entity subject to the laws of the State of Tennessee and that any reports, data or other information supplied to County by Consultant due to services performed pursuant to this Contract is subject to being disclosed as a public record in accordance with the laws of the State of Tennessee.

23. Organization Status And Authority. (a) Consultant represents and warrants that it is a corporation, limited liability company, partnership, or other entity duly organized, validly existing and in good standing under the laws of the state of Tennessee; it has the power and authority to own its properties and assets and is duly qualified to carry on its business in every jurisdiction wherein such qualification is necessary.

(b) The execution, delivery and performance of this Contract by the Consultant has been duly authorized by all requisite action and will not violate any provision of law, any order of any court or other agency of government, the organizational documents of Consultant, any provision of any indenture, agreement or other instrument to which Consultant is a party, or by which Consultant's respective properties or assets are bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets.

24. Warranty. Consultant warrants to County that all Services shall be in strict compliance with the terms of this Contract, and all applicable governmental laws, rules and regulations.

25. Rights in Data. The County shall become the owner, and Consultant shall be required to grant to the County, or its successors, a perpetual, non-exclusive, non-transferable, royalty-free right, in the County's name, to use any deliverables provided by the Consultant under this Contract, regardless of whether they are proprietary to the Consultant or to any third parties.

26. Consultant Responsibilities.

A. Indemnification and Insurance Requirements

1. Responsibilities For Claims And Liabilities. (a) Consultant shall indemnify, defend, save and hold harmless the County, and its elected officials, officers, employees, agents, assigns, and instrumentalities from and against any and all claims, liability, losses or damages—including but not limited to Title VII and 42 USC 1983 prohibited acts—arising out of or resulting from any conduct; whether actions or omissions; whether intentional, unintentional, or negligent; whether legal or illegal; or otherwise that occur in connection with or in breach of this Contract or in the performance of the duties hereunder, whether performed by the Consultant its subconsultants, agents, employees or assigns. This indemnification shall survive the termination or conclusion of this Contract.

(b) Consultant expressly understands and agrees that any insurance protection required by this Contract or otherwise provided by the Consultant shall in no way limit the responsibility to indemnify, defend, save and hold harmless the County or its elected officials, officers, employees, agents, assigns, and instrumentalities as herein provided.

(c) The County has no obligation to provide legal counsel or defense to Consultant or its subconsultants in the event that a suit, claim or action of any character is brought by any person not party to this Contract against Consultant as a result of or relating to obligations under this Contract.

(d) Except as expressly provided herein, the County has no obligation for the payment of any judgment or the settlement of any claims against Consultant as a result of or relating to obligations under this Contract.

(e) Consultant shall immediately notify the County, c/o Shelby County Government, Contracts Administration, 160 N. Main Street, Suite 550, Memphis, TN 38103, of any claim or suit made or filed against Consultant or its subconsultants regarding any matter resulting from or relating to Consultant's obligations under this Contract and will cooperate, assist and consult with the County in the defense or investigation thereof.

2. Insurance Requirements. Consultant will provide evidence of the following insurance coverage:

(a) Professional Liability coverage with limits of \$1,000,000.00 per occurrence/\$1,000,000.00 annual aggregate for this contract, coverage written on claims-made policy form. Insurer to be rated A or better by A. M. Best & Co.

(b) Commercial General Liability - Minimum limit of \$500,000.00 per occurrence single limit for bodily injury and property damage.

(c) Worker's Compensation – Consultant will provide Worker's Compensation Coverage for all its eligible employees in accordance with the laws of the State of Tennessee.

(d) Automobile liability - Minimum limit of \$50,000.00 per occurrence on all owned, hired and non-owned autos. Shelby County to be named additional insured.

Shelby County shall be named as additional insured. All policies will provide for 30 days written notice to Shelby County of cancellation or material change in coverage provided.

B. Right to Monitor and Audit

Access To Records. During all phases of the work and services to be provided hereunder Consultant agrees to permit duly authorized agents and employees of the County, to enter Consultant's offices for the purpose of inspections, reviews and audits during normal working hours. Reviews may also be accomplished at meetings that are arranged at mutually agreeable times and places. The Consultant will maintain all books, documents, papers, accounting records, and other evidence pertaining to the fee paid under this Contract and make such materials available at their offices at all reasonable times during the period of this Contract and for three (3) years from the date of payment under this Contract for inspection by the County or by any other governmental entity or agency participating in the funding of this Contract, or any authorized agents thereof; copies of said records to be furnished if requested.

## **IX. Proposal Submission**

### **A. General**

1. All interested and qualified Proposers are invited to submit a proposal for consideration. Submission of a proposal indicates that the Proposer has read and understands this entire RFP, including all attachments, exhibits, schedules, and addenda (as applicable) and all concerns regarding this RFP have been satisfied.
2. Proposals must be submitted in the format described below. Proposals are to be prepared in such a way as to provide a straightforward, concise description of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc. are neither necessary nor desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.
3. Proposals must be complete in all respects as required in this section. A proposal may not be considered if it is conditional or incomplete.
4. **Proposals must be received by no later than 4:00 pm on February 24, 2006, at Shelby County Government Purchasing Department, 160 N. Main St., Suite 550, Memphis, TN 38103.**
5. Proposer agrees to provide County with any additional information it deems necessary to accurately determine ability to perform the services proposed. Furthermore, submission of this proposal constitutes permission by this organization for the County to verify all information contained in the proposal. Failure to comply with any request for additional information may disqualify this organization from further consideration. Such additional information may include evidence of financial ability to perform.

### **B. Proposal Presentation**

1. An original and five (5) copies of the written proposal are required.
2. The package containing the original and copies must be sealed and marked with the Proposer's name and **"FINANCIAL & OPERATIONAL AUDIT OF EMPLOYEE MEDICAL & DENTAL BENEFIT ADMINISTRATORS", RFP #06-002-38."**
3. Proposals must be in ink. Erasures and "white-out" are not permitted. Mistakes may be crossed out, corrections typed adjacent and initialed in ink by the person signing the

proposal. Please identify all attachments, literature and samples, etc., with your firm name and our bid number.

4. Proposals must be verified before submission as they cannot be withdrawn or corrected after being opened. The County will not be responsible for errors or omissions on the part of bidders in making up their proposals. A responsible officer or employee must sign proposals. Tennessee sales tax shall not be included in the Consultant's proposal.

### **C. Proposal Format**

Response to this RFP must be in the form of a proposal package that must be submitted in the following format:

1. Cover Page – Submit a letter, on letterhead stationary, signed by a duly authorized officer, employee, or agent of the organization/firm submitting the proposal that must include the following information:
  - a. A statement that the proposal is being submitted in response to the Request for Proposal – Financial & Operational Audit of Employee Medical & Dental Benefit Administrators, RFP #06-002-38.
  - b. A statement indicating which individuals, by name, title, address, telephone number, and signature are authorized to negotiate with the County on behalf of the organization/firm.
  - c. A statement certifying that:
    - (i) the Proposer's signatory is an agent authorized to submit proposals on behalf of the organization/firm;
    - (ii) all declarations in the proposal and attachments are true to the best of reasonable knowledge;
    - (iii) all aspects of the proposal, including cost, have been determined independently, without consultation with any other prospective Proposer or competitor for the purpose of restricting competition;
    - (iv) the offer made in the proposal is firm and binding for 90 days after receipt of the proposal by the County; and
    - (v) all aspects of this RFP and the proposal submitted are binding for the duration if this proposal is selected and a contract awarded.
2. Company Information and Experience

The following information must be submitted as a part of the proposal:

- a. Demonstrated experience in employee benefits, particularly the County's various insurance programs.
- b. Names of specific individuals who would be committed to this project and document their experience or similar projects. This should include both prime consultant and sub-consultant staff.
- c. Submit at least three (3) references of firms for whom you have provided a similar service. Include firm name, address, telephone number and the name of a person who may be contacted.



- d. Present a schedule for completion including a time frame for each component of the Project. Indicate estimated time of completion for total project with target dates.
- e. Submit your proposed cost estimates for this project. Reference your firm's method of developing this charge (hourly, daily, per phase, etc.) in the event components are added to the project at a later date.
- f. Provide information regarding any proprietary software you will use to complete the Project.
- g. Any additional information about your firm which you consider relevant for consideration by Shelby County Government.

## **X. PROPOSAL EVALUATION AND SELECTION**

### **A. Evaluation Process**

- 1. Initial Review – All proposals will be initially evaluated to determine if they meet the following minimum requirements:
  - a. The proposal must be complete, in the required format, and be in compliance with all the requirements of the RFP.
  - b. Proposers must meet the Minimum Proposer Requirements outlined in Section II of this RFP.
- 2. Technical Review- Proposals meeting the above requirements will be evaluated on the basis of the following criteria:
  - a. Each proposal will be reviewed by a special Ad-Hoc Committee which may elect to schedule a personal presentation and interview with one or more of the bidders. After the review process is completed, this committee will recommend the successful bidder to the Division Director, Finance and Administration, who makes the decision, subject to the approval of the contract by the Mayor and the Board of County Commissioners.
  - b. All proposals submitted in response to this RFP will be evaluated based on the following criteria:
    - i. Qualifications of personnel.
    - ii. Ability to present a clear understanding of the nature and scope of the project.
    - iii. Project methodology.
    - iv. Previous experience with similar projects.
    - v. Cost to the Shelby County Government as outlined in the budget estimate.
    - vi. Time frame for completion.

Selection will be based on determination of which proposal best meets the needs of the County and the requirements of this RFP.

**B. Contract Award**

Contract(s) will be awarded based on a competitive selection of proposals received. The contents of the proposal of the successful Proposer will become contractual obligations and failure to accept these obligations in a contractual agreement may result in cancellation of the award. The County reserves the right to negotiate any portions of the successful Proposer's fees and scope of work or utilize their own resources for such work.